



Record plc

Annual results

Year ended 31 March 2010

15 June 2010



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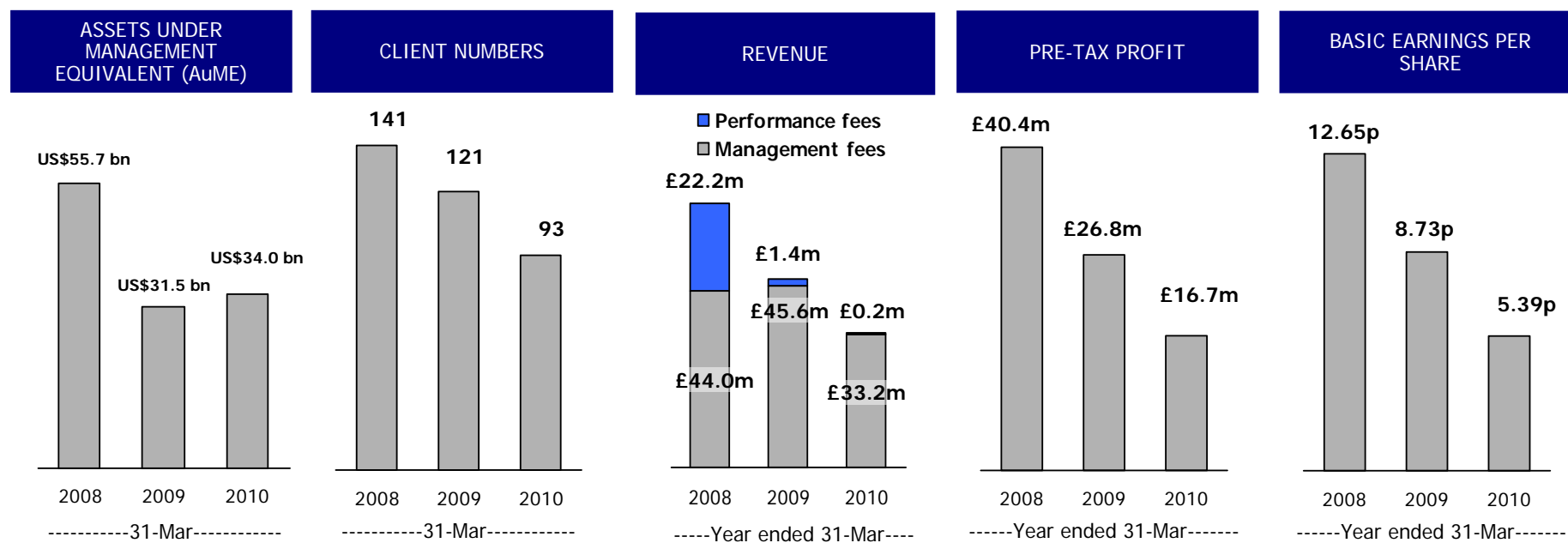
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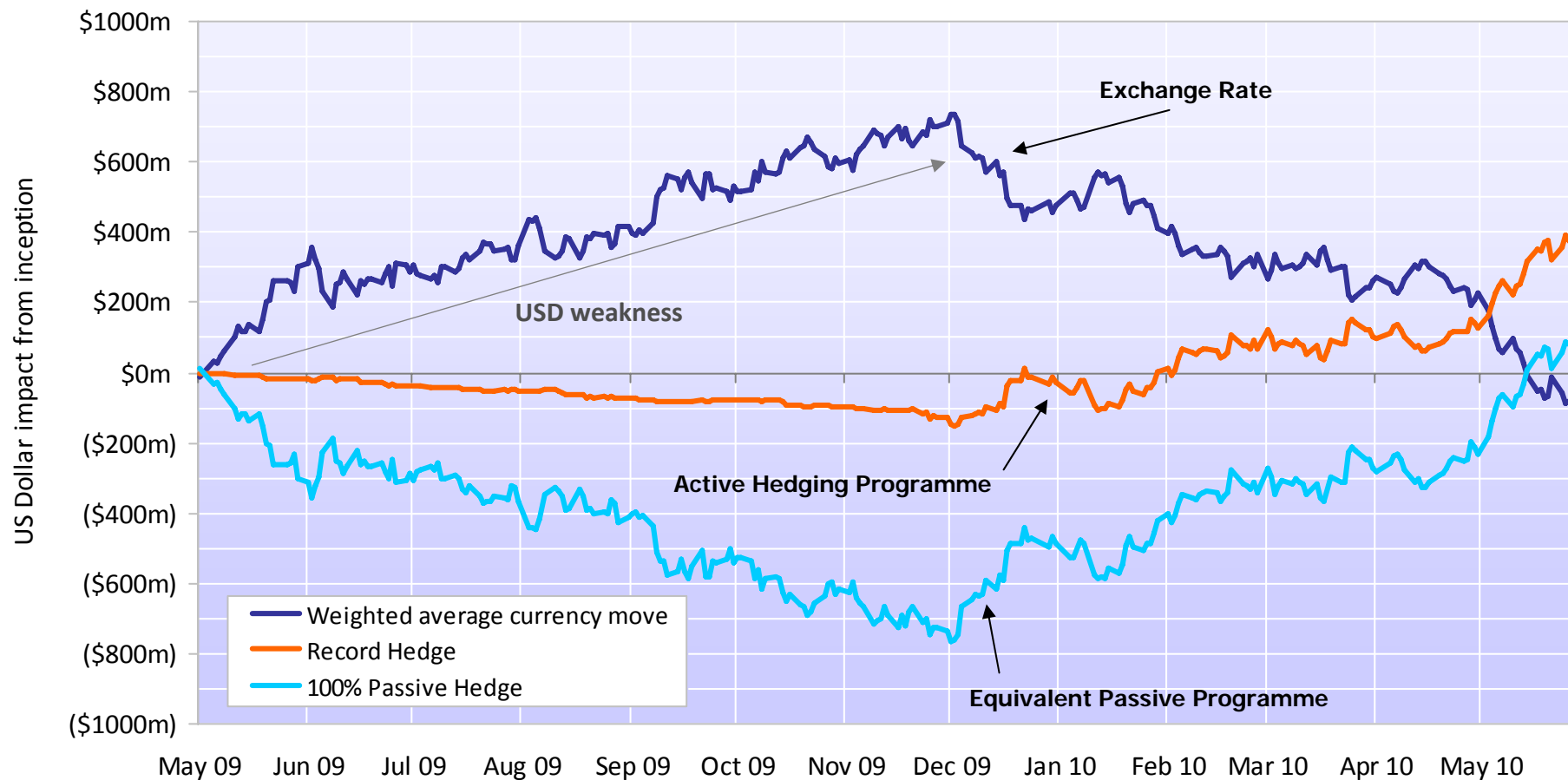
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Headlines

- Pre tax profit £16.7m (down 38%)
- Management fee income of £33.2m (down 27%)
- Performance fee income of £0.2m (down 84%)
- Cash reserves £21.9m (down 27%)
- AuME \$34.0bn at 31 March 2010 was 8% higher than the prior year
- AuME £22.4bn at 31 March 2010 was 2% higher than the prior year
- Operating profit margin to 31 March 2010 of 49% compared to 55% for year ended 31 March 2009
- Basic EPS 5.39 pence per share (2009: 8.73 pence per share, down 38%)
- Proposed final dividend for the year to 31 March 2010 is 0.59p per share giving a total dividend for the year of 4.59p per share.



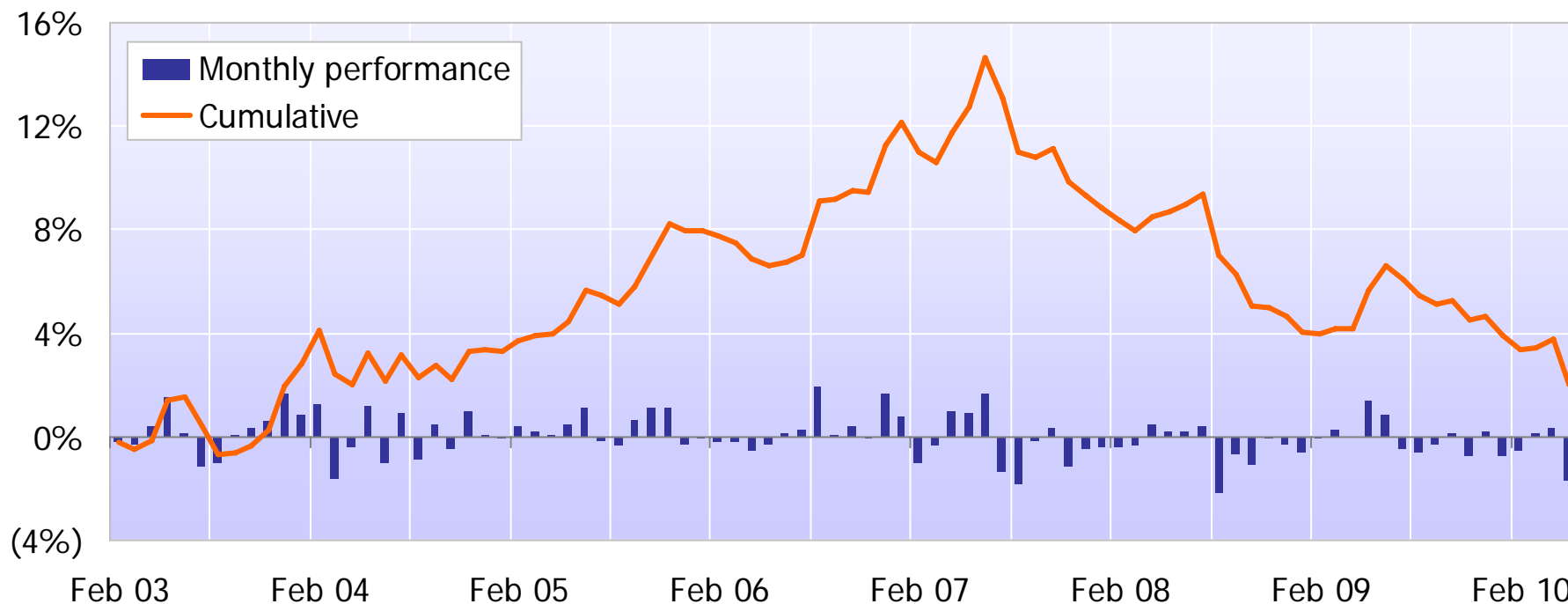
Performance of US Active Hedging Client



Source: Record Currency Management, WM/Reuters. Weighted average currency move is formed with relative month end weights. Preliminary results combined for International and Global portfolios. Hedging returns and dollar impact cumulative from April 30th 2009. Dollar amounts are a product of the monthly hedgeable weights and the change in relevant WM rates.

Seven-year live track record of Currency Alpha

Currency Alpha Composite - 10 accounts, £1.8 billion



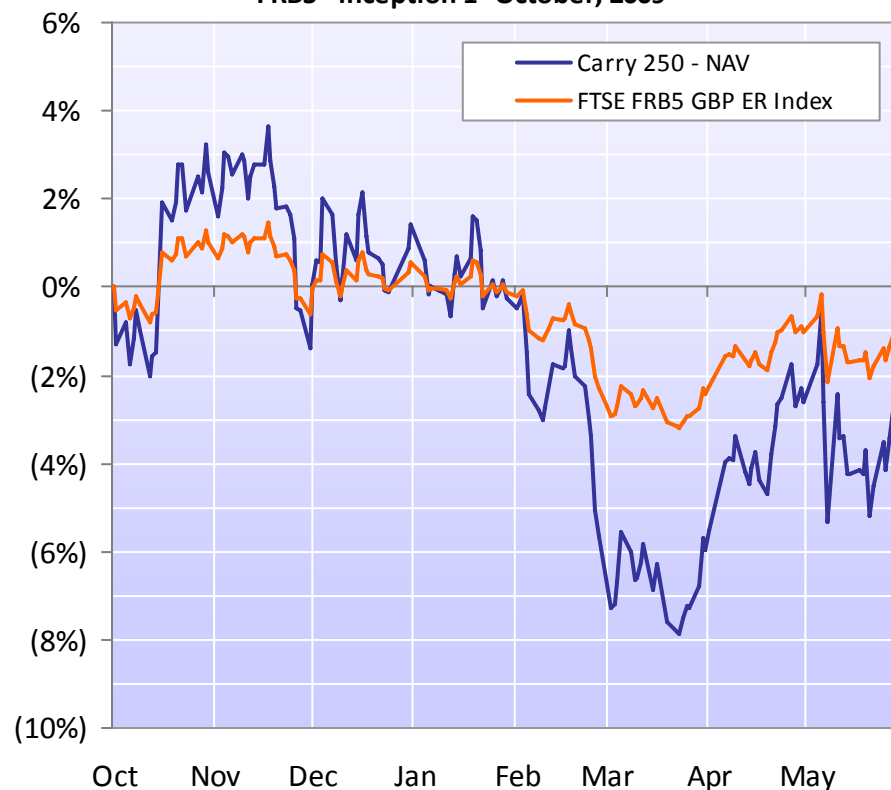
As at 28 th May 2010	Value added	Tracking Error	Information Ratio
Since inception (Feb-03)	0.27% p.a.	2.89%	0.09

Source: Record Currency Management. Returns of all clients in the composite are weighted in US dollars and scaled to a gearing ratio of one. The volatility of returns will be greater if higher leverage is applied. Client numbers and assets are correct as at 28th May 2010.

New Product Performance

Index Product FRB 5 & Emerging Market Fund

FRB5 - inception 1st October, 2009



As at 28 th May 2010	ITD
Carry 250 NAV (gearing 2.5x)	(2.99%)

EM Fund - inception 5th November, 2009



As at 28 th May 2010	ITD
EM Fund (gearing 2x)	5.81%

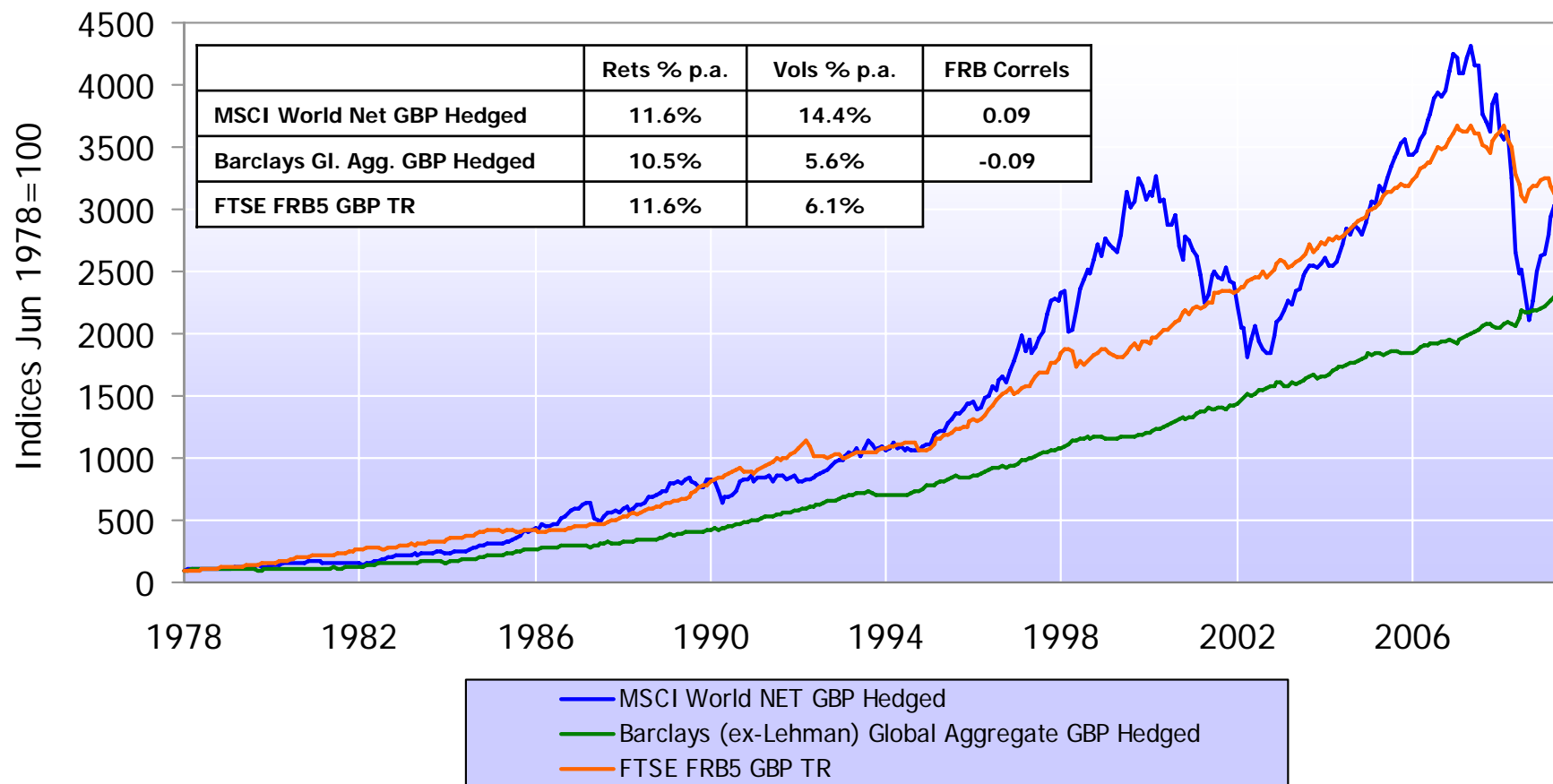
Source: Record Currency Management. Returns to 30th May 2010

Returns from equities, fixed income and currency



Equities, Fixed Income and Currency

GBP base ; Cum total returns; Index Jun 30, 1978=100; to Dec 09



Note: Returns to 31 December 2009. Barclays (ex-Lehman) US Aggregate used as proxy for Lehman Global Aggregate prior to 1990. Source: Record Currency Management Limited

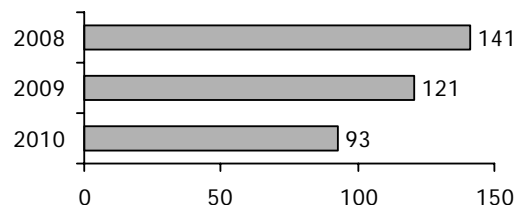
RECORD plc



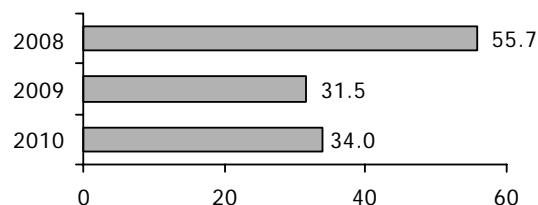
Financial Performance

Financial KPIs – Year ended 31 March 2010

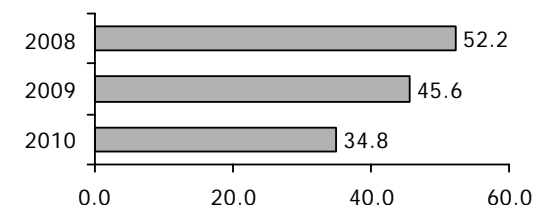
Client numbers



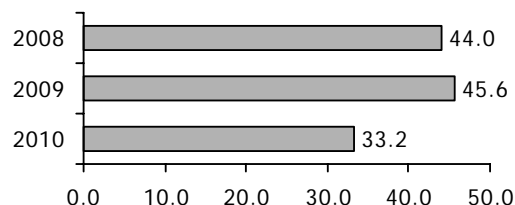
AuME \$bn



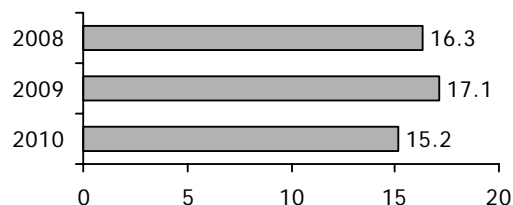
Average AuME \$bn



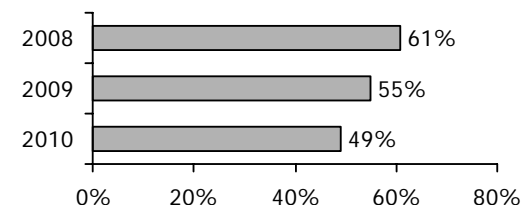
Management fees £m



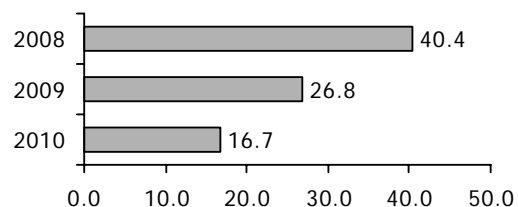
Average management fee rates bps



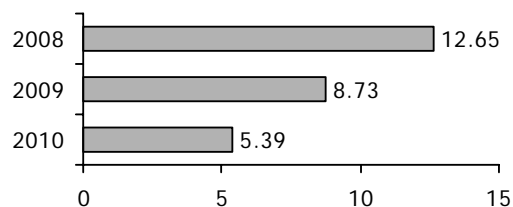
Operating margin %



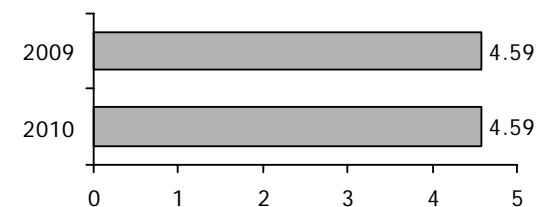
Profit before tax £m



EPS (pence per share)



Dividend (pence per share)*



* Note: 2008 dividend not included as part of the period relates to pre-IPO

Financials – client numbers

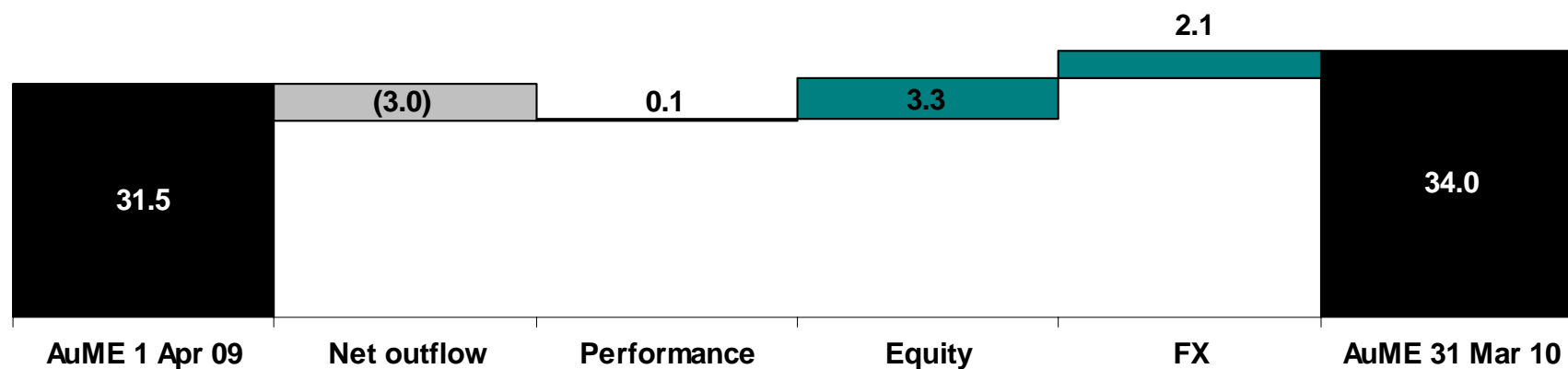
Client numbers

	31 Mar 09	31 Mar 10
Segregated funds	20	14
Pooled funds	87	61
Total Absolute Return	107	75
Hedging:		
Active	7	10
Passive	27	22
Less clients with >1 product	(20)	(14)
Total	121	93

Note: total of client numbers by product type is greater than total client numbers due to many clients having more than one account; for currency AuME, pooled fund client numbers look through pooled funds to individual investor level.

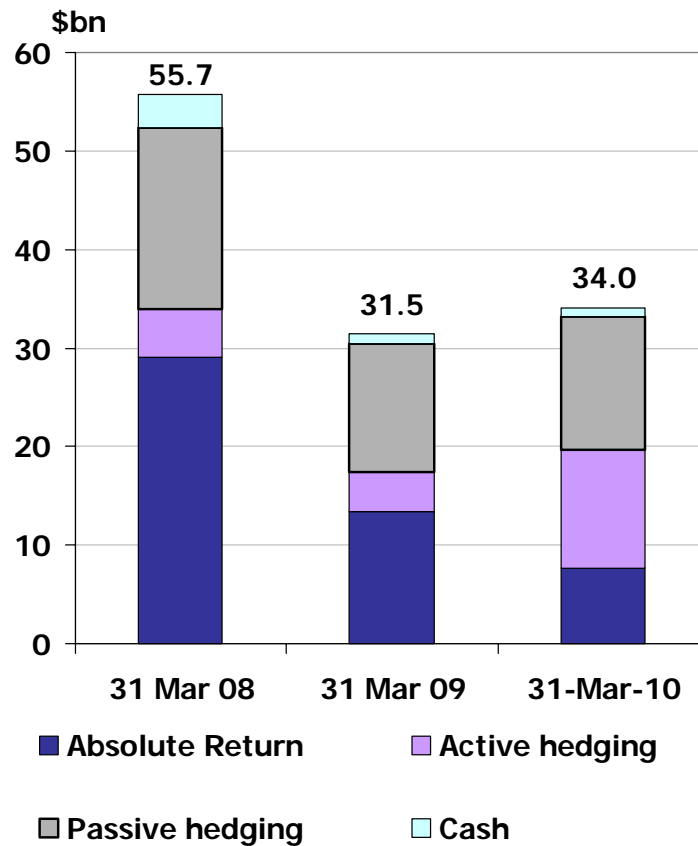
Financials – AuME movement

AuME bridge for the year ended 31 March 2010 \$billion

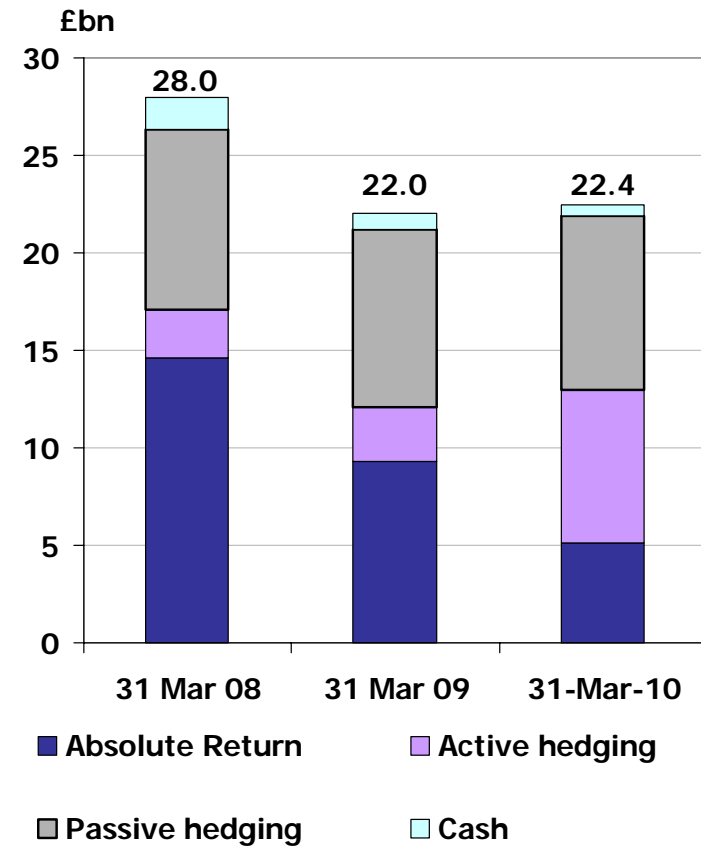


AuME analysis

AuME by product (\$bn)

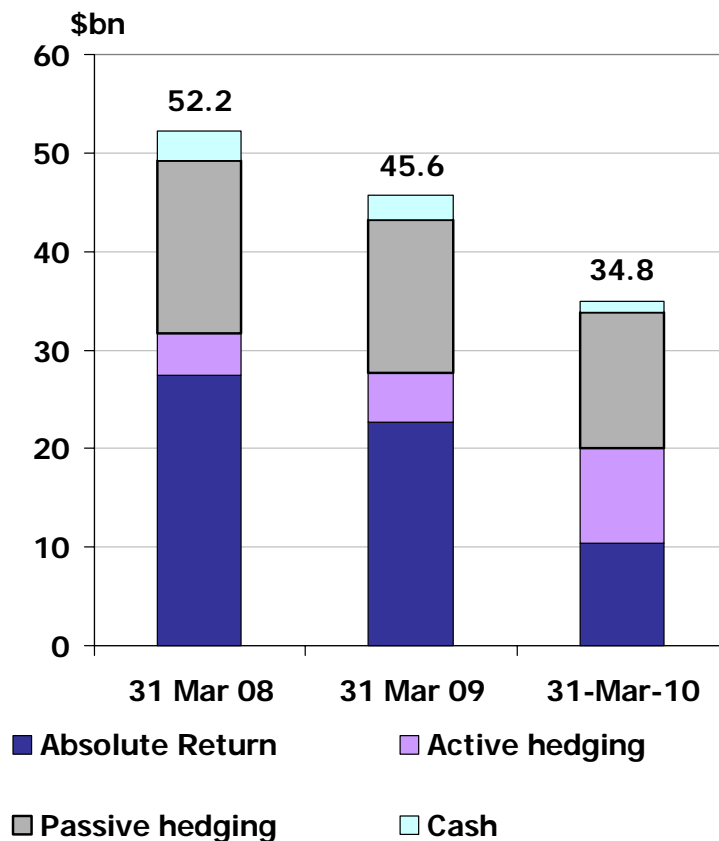


AuME by product (£bn)

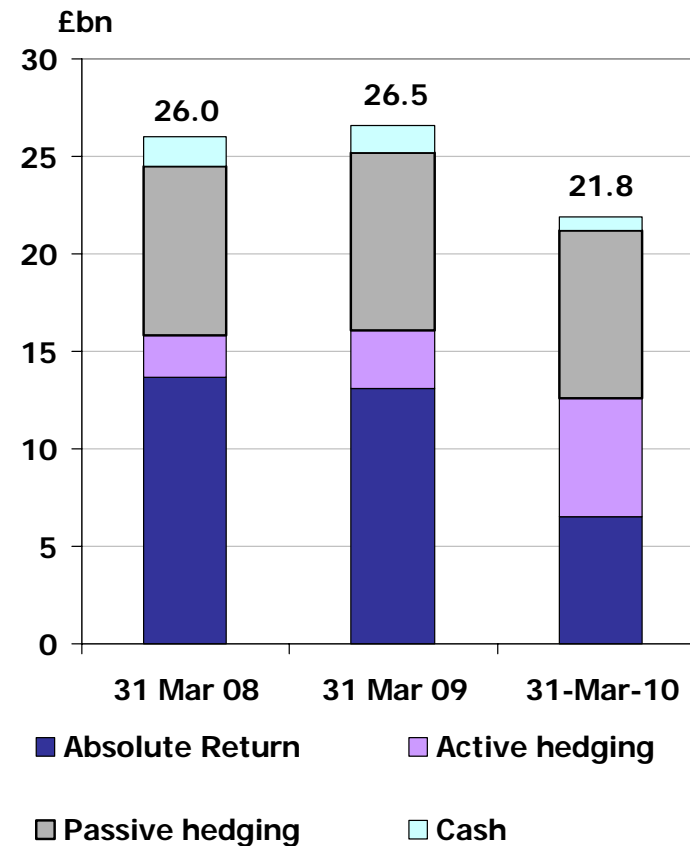


Average AuME analysis

Average AuME by product (\$bn)



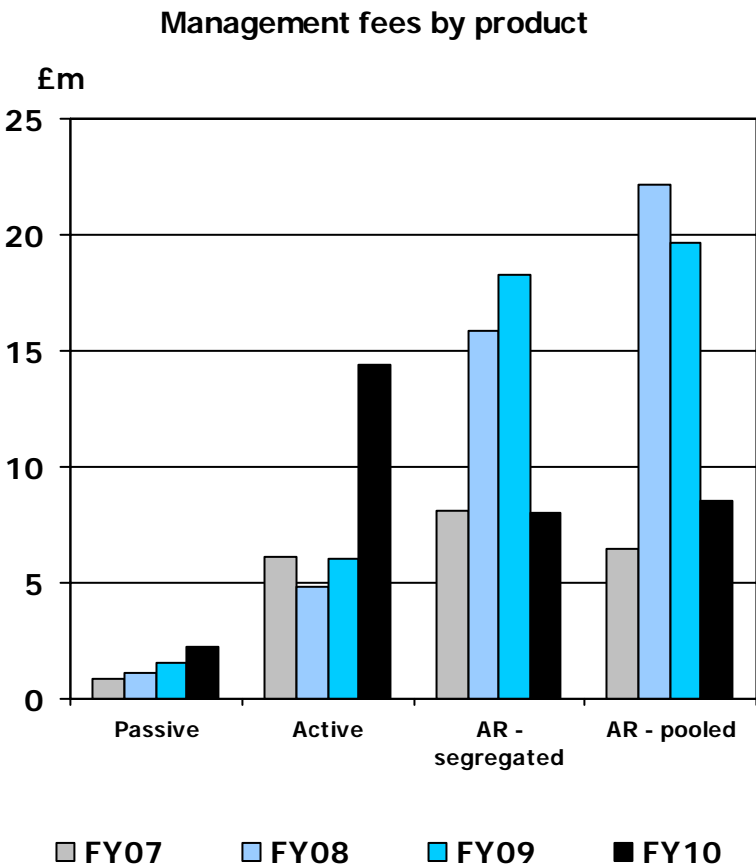
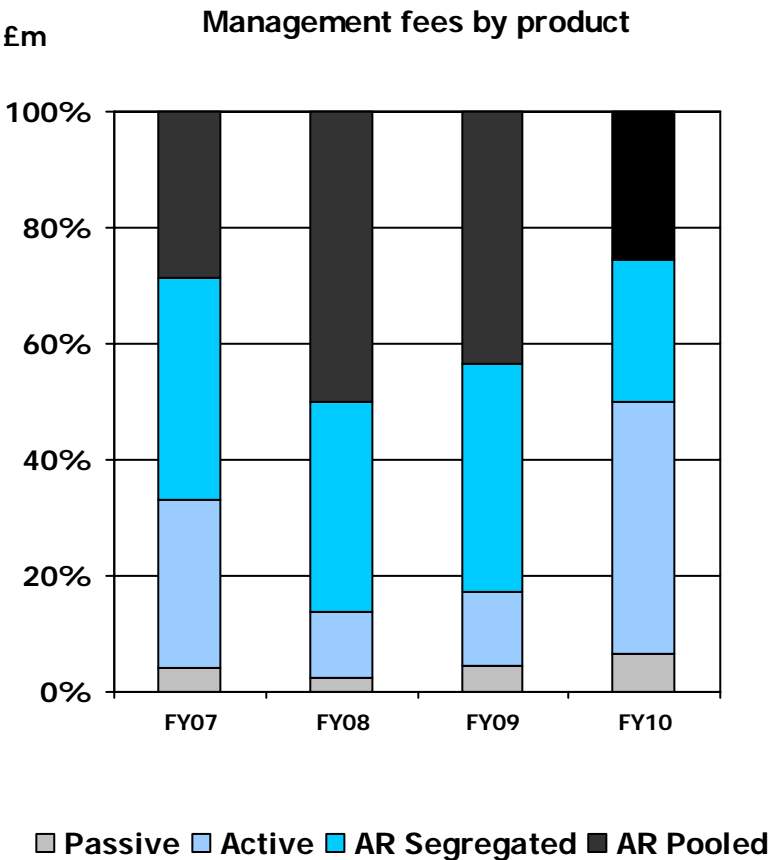
Average AuME by product (£bn)



Financials – Average AuME, management fee rates & fees

	Year ended 31 March 2009			Year ended 31 March 2010		
	Av. AuME (\$bn)	Av. mgmt. fee rates (bps)	Mgmt. Fee (£m)	Av. AuME (\$bn)	Av. mgmt. fee rates (bps)	Mgmt. Fee (£m)
Absolute Return:						
Segregated funds	11.5	27.2	18.3	4.8	26.6	8.0
Management fee only	8.8	30.4	15.3	3.1	28.3	5.6
Management + performance fee	2.7	18.9	3.0	1.7	21.7	2.4
Pooled funds	11.3	29.8	19.7	5.6	24.4	8.6
Management fee only	5.0	41.1	12.3	0.2	44.4	0.6
Management + performance fee	6.3	20.3	7.4	5.4	23.8	8.0
Total Absolute Return	22.7	28.5	38.0	10.4	25.4	16.6
Active Hedging	5.0	20.6	6.1	9.7	23.7	14.4
Passive Hedging	15.5	1.7	1.5	13.7	2.6	2.2
Cash	2.5	-	-	1.1	-	-
Combined average	45.6	17.1	45.6	34.8	15.2	33.2

Financials – revenue analysis



Financials – revenue analysis - cont'd

Fees analysed by product and fee type

	FY09			FY10		
	Management	Performance	Total	Management	Performance	Total
	£m	£m	£m	£m	£m	£m
Absolute Return	38.0	0.6	38.6	16.6	0.2	16.8
Active	6.1	0.8	6.9	14.4	-	14.4
Passive	1.5	-	1.5	2.2	-	2.2
Total Income	45.6	1.4	47.0	33.2	0.2	33.4

Financials – income statement

	FY09	FY10
AuME at period end	\$31.5bn	\$34.0bn
Clients at period end	121	93
	£m	£m
Income:		
Management fees	45.6	33.2
Performance fees	1.4	0.2
Other income	(0.2)	-
Total Income	46.8	33.4
Expenditure:		
Operating costs	(9.8)	(9.9)
Variable remuneration	(11.1)	(7.1)
Total expenditure	(20.9)	(17.0)
Operating profit	25.9	16.4
Operating Profit Margin	55%	49%
Finance income	0.9	0.2
Profit before tax	26.8	16.6

Group profit share

- **An average of 30% Operating Profit over the medium term (ability to flex 25-35% in the short term)**
- **Shared amongst all staff based on 'profit share units'**
- **The only bonus scheme in the Company – no commissions, individual arrangements, etc**
- **For senior employees who own <2% of Record plc shares:**
 - 1/3rd Shares
 - 1/3rd Cash
 - 1/3rd Cash or Shares. Shares attract a 1x matching award (funded by senior employees who own >2% Record plc – see below)
- **For senior employees who own >2% of Record plc shares:**
 - 100% cash
 - less their contribution to fund matching shares above

Financials - earnings

Shareholders earnings

	FY09	FY10
	£m	£m
Profit before tax	26.8	16.7
Tax	(7.5)	(4.7)
Profit after tax	19.3	12.0
eps – basic	8.73p	5.39p
eps – diluted	8.72p	5.38p
Interim dividend per share	2.43p	4.00p
Proposed final dividend per share	2.16p	0.59p
Total dividend per share	4.59p	4.59p
Dividend cover	1.9x	1.2x

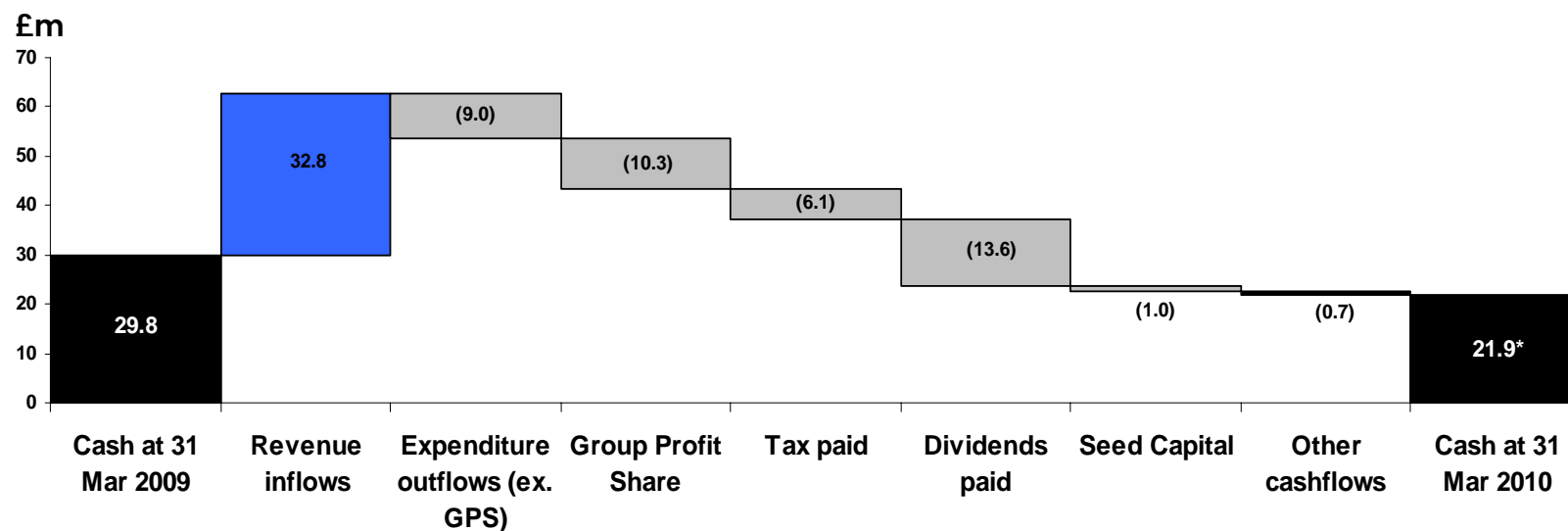
Financials – balance sheet

Balance sheet as at period end

	FY09	FY10
	£m	£m
Non-current assets	0.5	0.9
Current assets		
Trade debtors and other receivables	7.8	8.3
Derivative financial assets	-	0.1
Cash and cash equivalents	29.8	21.9
Total current assets	37.6	30.3
Current liabilities	(10.9)	(6.4)
Net current assets	26.7	23.9
Non-current assets held for sale	-	0.9
Net assets	27.2	25.7
Equity	27.2	25.7

Financials - cash

CASH BRIDGE FOR THE YEAR ENDED 31 MARCH 2010



*The Cash at 31 March 2010 of £21.9m includes a cash deposit of £1.0m which is collateral against the portfolio of forward exchange contracts employed in the EM product trial



Business strategy

Strategy

- Increased marketing focus on hedging (Passive and Active)
- Relationship with FTSE to develop market indices and related products
- Development of further currency products particularly in Emerging Markets
- Continued investment in people and infrastructure
- Plans to separate Chairman and Chief Executive role in FY11

Product development

■ Existing products

- ✓ No changes to investment philosophy

■ New products for FY11

- ✓ Promoting currency index products linked to FTSE Currency FRB series. External launch of Carry 250 in July 2010
- ✓ Emerging Markets: continue to explore opportunities in emerging market currencies. Launch of product externally in FY11



Appendix



Management and Board

Executive Management

Name	Position	Experience
Neil Record	Chairman Chief Executive Officer	<ul style="list-style-type: none">■ Founded Record in 1983. Principal shareholder and Executive Chairman ever since (27 years at Record)■ Acknowledged as one of the leading figures in the currency investment management industry
Bob Noyen	Managing Director Chief Investment Officer	<ul style="list-style-type: none">■ Joined Record in 1999 with responsibility for Investment & Research (11 years at Record)■ Previously worked as Assistant Treasurer for Minorco (now part of Anglo American plc)
Leslie Hill	Managing Director	<ul style="list-style-type: none">■ Joined Record in 1992 and was appointed Head of Sales and Marketing in 1999 (18 years at Record)■ Prior experience includes working at Lloyds Bank and Merrill Lynch, where she was Director and Head of Corporate Foreign Exchange Sales worldwide
Paul Sheriff	Director Chief Financial Officer	<ul style="list-style-type: none">■ Previously Group Finance Director for Arbutnot Banking Group PLC and prior to that Commercial Finance Director of the Prudential's UK and European business

Non-Executive Directors

Name	Position	Experience
Cees Schrauwers	Senior Independent Director	<ul style="list-style-type: none">■ Formerly Managing Director, Aviva International; Managing Director, CGU Insurance; Partner, Coopers & Lybrand■ Currently Senior Independent Director, Brit Insurance Holdings; Chairman, Drive Assist Holdings Ltd; Commissioner, Guernsey Financial Services Commission
Andrew Sykes	Non-Executive Director	<ul style="list-style-type: none">■ Formerly director, Schroders plc■ Currently non-executive director, Gulf International Bank (UK); Smith & Williamson Holdings; SVG Capital plc; Chairman Invista Foundation Property Trust Limited; Absolute Return Trust Limited; investment committee of the Schroder Retirement Benefits Scheme
David Morrison	Non-Executive Director	<ul style="list-style-type: none">■ A director of PayPoint plc, several private companies and a Non-executive director of N P Record plc between 1987 - 1996■ Founder and Chief Executive of Prospect Investment Management

AuME

- **Currency for Absolute Return mandates:**

- = the maximum aggregate nominal amount of outstanding forward contracts for each client, plus

- **Active hedging mandates:**

- = total amount of clients' investment portfolios denominated in liquid foreign currencies, and hence capable (under the terms of the relevant mandate) of being hedged, plus

- **Passive hedging mandates:**

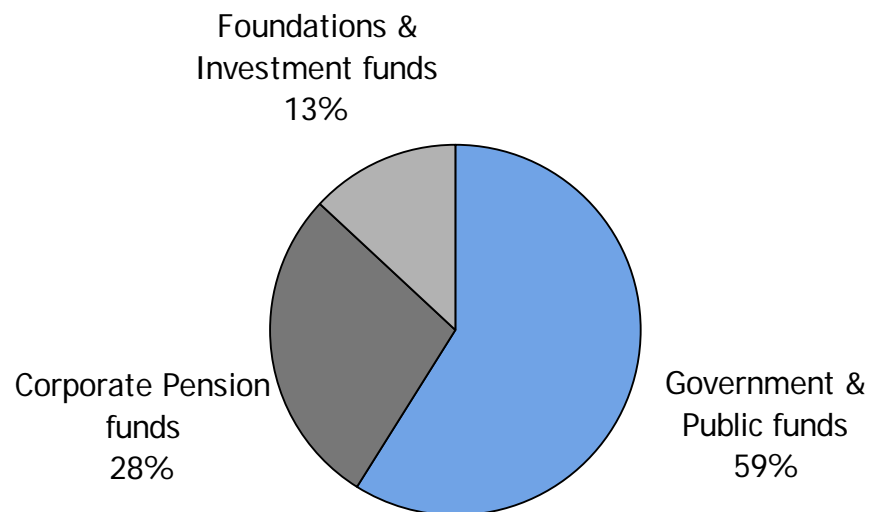
- = the aggregate nominal amount of passive hedges actually outstanding in respect of each client, plus

- **Cash:**

- = the total set aside by clients and managed and/or 'equitised' using futures by Record

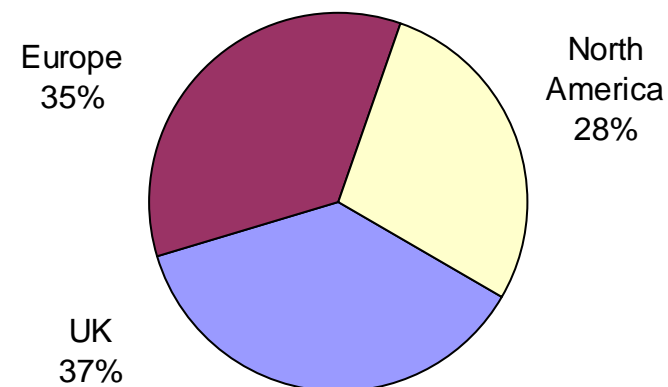
AuME analysis

Split of AuME by client type — 31 March 2010



Total: US\$34.0 billion

Split of AuME by country/region — 31 March 2010



Total: US\$34.0 billion

Note: both pie charts look through pooled funds to individual investor level

Financials – fee structure

Absolute Return Fee structure analysed by AuME as at 31 March 2010

	Segregated	Pooled	Total	
	\$ billion	\$ billion	\$ billion	
Management only	2.6	0.1	2.7	35%
Management with Performance	1.0	4.0	5.0	65%
Absolute Return	3.6	4.1	7.7	100%

Financials – cost analysis

Emphasis on cost control

	FY09	FY10
	£m	£m
Personnel (excluding Group Profit Share)	5.6	6.1
Non-personnel cost	4.2	3.8
Expenditure before Group Profit Share	9.8	9.9
Group Profit Share Scheme	11.1	7.1
Total expenditure	20.9	17.0

Financials – concentration

Largest clients by FY10 fees

	AuME	Management	Performance	Total	
	\$bn	£m	£m	£m	%
Clients 1-10	19.8	18.5	-	18.5	55%
Clients 11-20	4.5	5.6	-	5.6	17%
Other clients	9.7	9.1	0.2	9.1	28%
Total Income	34.0	33.2	0.2	33.4	100%